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## PSC ISSUES ORDER THAT CLEARS THE WAY FOR PACIFICORP'S LARGE CUSTOMERS TO HAVE ELECTRICITY SUPPLIER CHOICE JULY 1

The state Public Service Commission issued an order today that implements the rate "unbundling" and stranded-cost accounting mechanism that must be in place so that PacifiCorp's seven large industrial customers will be able to choose their electricity suppliers beginning July 1.

The PSC "unbundled" PacifiCorp's rates for its large customers by separating the supply portion of their electricity rate from the delivery portion. The commission also instituted a mechanism to track the company's stranded costs between July 1, when the large customers move to choice, and the date of the PSC's final order in this case, which will be later this year.

All the other issues involved in PacifiCorp's electric restructuring and transition plan, including transition costs, customer education and pilot programs, will be subjects of a PSC technical hearing in Kalispell beginning August 25. Evening hearings to obtain citizens' comments will be held in Kalispell and Libby.

PacifiCorp filed its proposed plan last July to restructure its electric operations pursuant to the Electric Utility Industry Restructuring and Customer Choice Act passed by the 1997 Montana Legislature. The new law provides for deregulation of the generation and sale of electricity to Montanans while electricity transmission and distribution will remain regulated. The new law requires PacifiCorp to offer its large industrial customers in Montana the opportunity to choose their electricity supplier by July 1998 and to plan pilot supplier choice programs for residential

and small commercial customers. In its transition plan, however, Pacific Power proposes to forgo pilot programs and move all residential and small commercial customers to supplier choice in July 1999.

According to Public Service Commissioner Bob Rowe, who represents northwestern Montana, "PacifiCorp proposes to have all its customers, including residential and small business

customers, choose their power supplier only one short year from now. Therefore, it is especially important that Flathead and Lincoln County citizens pay close attention to electric restructuring. This includes both the PSC hearings on PacifiCorp's restructuring proposal and the PSC rulemakings on customer protection and information."

"Because this issue is so important," Rowe said, "I hope the August hearings in Kalispell and Libby will be very well attended."

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